

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF THE)	CASE NO. 92-346-BB
UNION LIGHT, HEAT AND POWER)	
COMPANY)	

ORDER

On August 31, 1993, in Case No. 92-346, the Commission approved certain adjusted rates for The Union Light, Heat and Power Company ("ULH&P") and provided for their further adjustment on a quarterly basis in accordance with ULH&P's gas cost adjustment ("GCA") clause.

On May 23, 2000, ULH&P filed an interim GCA to be effective June 29, 2000 through August 28, 2000. In support of its interim filing to pass along a significant and unexpected increase in wholesale gas cost, ULH&P stated that it was more prudent to revise rates now than to recover a large under-collection in the quarter beginning December 2000.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. ULH&P's notice of May 23, 2000 proposed revised rates designed to reflect its higher projected natural gas price. ULH&P's proposed expected gas cost ("EGC") of \$4.857 per Mcf includes a take-or-pay recovery component of 0 cent per

Mcf, and is an increase of 61.8 cents per Mcf from the EGC which was approved in its regular filing for rates to be effective May 31, 2000.

2. ULH&P's notice of May 23, 2000 set out refund adjustments, actual adjustments, and balancing adjustments identical to those included in its filing of April 28, 2000 for rates to be effective May 31, 2000.

3. ULH&P continued to propose a Firm Standby Rate of \$.9310 per Mcf and an Interruptible Standby Rate of \$.522 per Mcf.

4. The combined effect of the above adjustments is ULH&P's revised gas cost recovery rate ("GCR") of \$4.534 per Mcf, which is 61.8 cents per Mcf more than its previous GCR of \$3.916 per Mcf.

5. ULH&P's adjustment in rates contained in the Appendix to this Order is fair, just, and reasonable, is in the public interest, and should be approved effective with bills rendered on and after June 29, 2000.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for bills rendered on and after June 29, 2000.

2. Within 30 days from the date of this Order, ULH&P shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 12th day of June, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-346-BB DATED JUNE 12, 2000

The following rates and charges are prescribed for the customers served by The Union Light, Heat and Power Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

GAS SERVICE RATES

RATE RS RESIDENTIAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2202	plus	\$.4534	\$.6736

RATE GS GENERAL SERVICE

	<u>Base Rate</u>		<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
Commodity Charge for All Ccf Consumed	\$.2007		\$.4534	\$.6541

RATE REC
RESIDENTIAL ENERGY CONSERVATION SERVICE

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
All Ccf Consumed	\$.2828	\$.4534	\$.7362

RATE SS
STANDBY SERVICE

Firm Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 9.31 cents per Ccf.

Interruptible Standby Service

For the volume specified in the written agreement, the customer shall pay an additional charge of 5.22 cents per Ccf.

Take-or-Pay Recovery Charge

The T-O-P charge to be billed during the months of June, July, and August 2000 is 0 cents per Ccf.